

STATEMENT OF CONSIDERATIONS

REQUEST BY UNITED TECHNOLOGIES CORPORATION ACTING
THROUGH UNITED TECHNOLOGIES RESEARCH CENTER (UTRL) FOR
AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION
RIGHTS UNDER DOE CONTRACT NO. DE-AC22-95PC95144 -
W(A)-96-025, CH-0914

The Petitioner, UTRL, was selected for award under the High Performance Power Systems (HIPPS) program. This project is for the engineering development of a coal-fired power system that will be capable of improving the environmental performance and efficiency of coal use for electric power generation. The Petitioner was one of two proposers selected as a result of its response to the PRDA in this program.

The Petitioner has requested a waiver of domestic and foreign rights for all subject inventions under Phase II of its contract with DOE.


As brought out in the Petitioner's response to questions 2, 3 and 7 in the attached copy of its petition for waiver, the total estimated cost of the contract is about \$36,996,115 with UTRL sharing 25% of the total estimated cost (\$7,534,972 plus additional consideration), with DOE providing the remaining. Moreover, UTRL has established itself as a leader in relevant technical fields, including over 20 years experience in the key technology area required for this program: coal devolatilization, coal combustion, structural analysis and materials characterization. In addition, UTRL has established a plan to commercialize the results of this program, in addition to its experience in marketing and promoting industrial gas turbines similar to the designs being generated herein.

The Petitioner has agreed to the standard provisions with respect to invention waivers with the substitution of the march in rights, U.S. manufacturing preference and U.S. government license provided in 35 U.S.C. 202-204. Additionally, UTRL has accepted standard background patent and data provisions of paragraphs (k) to assure commercialization of the technology and has agreed to the attached U. S. Competitiveness provision.


The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which UTRL agrees to substantial U. S. manufacture of the subject inventions. Additionally, UTRL agrees not to transfer the subject inventions to any other entity unless that other entity agrees to these same requirements.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest their resources in the commercialization of the results of the agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above

requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.


 Timothy L. Harney
 Patent Attorney
 Office of Intellectual Property Law


Date 2/18/97


 Mark P. Dvorscak
 Assistant Chief Counsel
 Office of Intellectual Property Law

Date 2/18/97


Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the United States and the general public will best be served by a waiver of rights and consent to assignment of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:


 George Rudins
 Deputy Assistant Secretary
 for Coal Technology

Date 5/26/97

APPROVAL:


 Paul A. Gottlieb
 Assistant General Counsel
 for Technology Transfer and
 Intellectual Property

Date 8-27-97

WAIVER ACTION - ABSTRACT

W(A)-96-025 (CH-0914)

REQUESTOR

United Technologies Corp.
DE-AC22-95PC95144

CONTRACT SCOPE OF WORK

The Engineering development of a coal-fired power system capable of improving the environmental efficiency and efficiency of Coal use for electric power generation.

RATIONALE FOR DECISION

25% of the total cost

DISPOSITION

(ii) Submits the final report required by paragraph (e)(2)(ii) of this clause, whichever is later.

(2) However, the Contractor shall not forfeit rights in a subject invention if, within the time specified in paragraph (m)(1) of this clause, the contractor:

(I) Prepares a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract and delivers the decision to Patent Counsel, with a copy to the Contracting Officer; or

(ii) Contending that the subject invention is not a subject invention, the contractor nevertheless discloses the subject invention and all facts pertinent to this contention to the Patent Counsel, with a copy to the Contracting Officer, or

(iii) Establishes that the failure to disclose did not result from the contractor's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Contracting Officer to be forfeited (such determination to be a Final Decision under the Disputes clause of this contract), the contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

(t) U. S. COMPETITIVENESS The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.